NET NOW

What Net Grocers Need

Back when venture capitalists were indiscriminately throwing money at Internet startups, the business model behind online grocers such as **Peapod** ***(www.peapod.com)*** and **Webvan** seemed sound: Let consumers order their groceries online and have the items delivered to their doorsteps.

But the idea never took off, and company after company faltered. Peapod teetered on the edge of bankruptcy last year until Dutch grocery giant **Royal Ahold** ***(www.ahold.com)*** infused it with much-needed cash. In June, Webvan shareholders approved a reverse stock split in an effort to boost its market value. The company filed for bankruptcy in July.

Although the sector's future looks grim, there is hope for companies venturing into the online grocery market, says Geri Spieler, an analyst with research-firm Gartner. But there's a hitch. "The future of groceries online is to have a brick-and-mortar presence," she says.

Pure-play Internet grocers are unable to compete with real-world stores because they don't have the buying power or the customer volume, she says. Plus, traditional grocers already have a clientele to whom they can market their online delivery services.

Ahold is heeding Spieler's advice. The company is using Peapod to complement its U.S. grocery chains, which include **Giant** and **Stop & Shop.**

U.S. chain **Safeway** ***(www.safeway.com)*** is also attempting to leverage the Internet through its **GroceryWorks** division ***(www.groceryworks.com)***, and recently announced a strategic agreement with U.K. food giant **Tesco,** in which Tesco would provide GroceryWorks with cash and expertise to attract a U.S. home-shopping market.

Will such efforts work? Though the jury is still out, Spieler believes online grocers need to act fast to stay alive. "They must do something really creative in the next six months," she says.

—Tamara Holmes

ILLUSTRATION BY BEK SHAKIROV

Managing Your Home, Online

Forget the phone book. The latest way to find virtually any home-related service is to tap into one of the home-management portals popping up online.

MyHomeKey.com ***(www.myhomekey.com)***, for example, delivers access to more than 40,000 local home-repair providers, as well as shopping for major brand appliances. You can schedule everything online, from plumbing repairs to smoke-alarm installation to carpet cleaning. The site also features information on general home-related issues and advice on do-it-yourself repairs.

For the security-conscious, companies such as **Xanboo** ***(www.xanboo.com)*** and **BeAtHome** ***(www.beathome.com)*** offer Internet-based home automation. No more wondering if you left the porch light on: BeAtHome lets you keep tabs on your domicile through a secure Web site, where you can turn on lights, adjust thermostats, and monitor moisture or carbon-monoxide levels.

Consumers who need quick fixes for their budgets can log on to **LowerMyBills.com** ***(www.lowermybills.com)*** to save money on long distance, utilities, insurance, and other household expenses, or to get information on debt relief.

These may be good ideas, but they won't be successful overnight, says Mike Wolf, a senior analyst with Cahners In-Stat Group. He believes it will be a year or two before home-management services catch on, and that affordability will be a major factor.

"There needs to be a lot of consumer education about what the value is," he says. "And a down economy will be a bad thing for some of these companies, which are targeting customers with second homes or vacation homes."

—Gwen Moran

Reboot, Recycle, Reuse

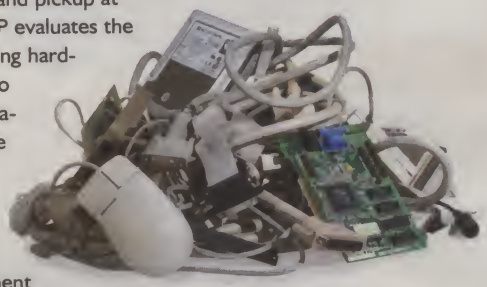
Using an old dot-matrix printer as a footrest? Let **Hewlett-Packard** take it away.

HP's Planet Partners Program ***(www.hp.com/go/recycle)*** picks up old computer hardware (from any manufacturer) for recycling or reuse. The service is available to anyone, from a business with truckloads of unwanted computers to an individual with a monochrome monitor in the attic.

The company charges a per-item fee that depends on the size of the cast-off equipment, from $13 for a small printer to $34 for a 20-inch monitor. The cost includes shipping and pickup at your doorstep. HP evaluates the equipment; working hardware is donated to charitable organizations or otherwise reused (though you won't receive a tax credit), and nonfunctional equipment is recycled.

HP receives more than 3 million pounds of broken and obsolete equipment every month. "This is a service we've provided within HP for our own products as they come to the end of their life," says Chris Altobell, HP's business-development manager for product-recycling solutions. "We teamed up with **Noranda** to create a hardware-recycling process in which no electronics materials end up in a landfill."

Many other organizations recycle computers. Some, such as **Share the Technology** ***(www.sharetechnology.org)*** and the **Computer Recycling Project** ***(www.wco.com/~dale/crp.html)***, give older but functional computers to nonprofit organizations and schools. Others break down PCs, recycling or disposing of the components.



HP says its service is different because it is available nationwide, orders can be placed on the Web, and 100 percent of the components are recycled. Even your dot-matrix footrest won't end up in a landfill. ***—Kevin Savetz***

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SECTION CONTINUES ON PAGE 28